

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MASSACHUSETTS

In re:

TOP LINE GRANITE DESIGN INC.,
Debtor.

Case No. 22-40216-EDK
Chapter 11

**THE UNITED STATES' OBJECTION AND
RESERVATION OF RIGHTS TO DEBTOR'S SALE MOTION
AND JOINT MOTION TO APPROVE GLOBAL STIPULATION**

The United States, on behalf of its agency, the Small Business Administration (the “SBA”), hereby files this objection and reservation of rights (the “Objection”) to (i) the Debtor’s Motion for an Order Authorizing and Approving Asset Purchase Agreement with Charles River Realty Group LLC or Another Bidder Providing a Higher or Better Offer, Authorizing Such Sale Free and Clear of All Liens, Claims, Encumbrances, and Other Interests; and Granting Other Related Relief filed on April 5, 2023 (Doc. No. 294) (the “Second Sale Motion”); and (ii) the Joint Motion to Approve Global Stipulation Among the Debtor, Edmilson Ramos and Related Entities, and Avidia Bank, filed on April 14, 2023 (Doc. No. 312) (the “Ramos Stipulation Motion”).

On April 28, 2023 the Debtor was removed as a debtor in possession pursuant to 11 U.S.C. § 1185(a) and Steven Weiss, the Subchapter V Trustee, was appointed as an operating trustee (the “Chapter 11 Trustee”). On May 12, 2023, the Chapter 11 Trustee filed the Motion of Chapter 11 Trustee for Entry of Order Confirming and Modifying Order Authorizing Sale of Property of the Estate (the “Trustee’s Sale Motion”). The SBA does not object to the Chapter 11 Trustee’s Sale Motion.

OBJECTION

1. It is unclear whether the Debtor intends to move forward with the Second Sale Motion and the Ramos Stipulation Motion. If the Debtor does move forward with these motions,

the SBA hereby renews and fully incorporates by reference the objections set forth in the United States' Objection to Debtor's Bid Procedures and Sale Motion (Doc. No. 300) (the "SBA Bid Procedures Objection") filed on April 7, 2023 and attached hereto as Exhibit A.

2. In addition, if the Debtor does move forward with the Second Sale Motion and the Court determines it is appropriate to grant that motion, any order approving the Second Sale Motion must contain language making it clear that (i) the SBA Mortgage¹ on the real property located at 347 Middlesex Road, Tyngsboro, MA (the "Real Estate"), which secures a promissory note from The 347 Middlesex Road Realty Trust in the original principal amount of Two Million One Hundred and Twenty-Three Thousand Dollars (\$2,123,000.00) shall be paid in full at the closing of the sale, and (ii) the SBA Mortgage is not being assumed by the prevailing purchaser.

3. Moreover, if the Debtor does move forward with the Ramos Stipulation Motion and the Court determines it is appropriate to grant that motion, any order approving the Ramos Stipulation Motion must include language making it clear that holders of liens against the Real Estate do not need to file proof of claim in the Debtor's bankruptcy case in order to receive distributions from the proceeds of the sale of the Real Estate.

RESERVATION OF RIGHTS

Should the Debtor move forward with the Second Sale Motion and the Ramos Stipulation Motion, the SBA hereby reserves its right to raise further objections based on the outcome of the sale process, including but not limited to whether the Debtor has adequately marketed the property in connection with the Second Sale Motion and in connection with any modifications to the

¹ "SBA Mortgage" is used as defined and more fully described in the SBA Bid Procedures Objection.

Stipulation Among Debtor, Edmilson Ramos, 347 Middlesex Road Realty Trust, U.S. Construction and Maintenance LLC, Top Paving, Inc. and Avidia Bank filed at Doc. No. 312 that have not yet been filed with the Court.

WHEREFORE, the United States respectfully requests that the Court sustain its Objection and enter an order denying approval of the bidding procedures.

Respectfully submitted,

UNITED STATES OF AMERICA
By its attorneys

RACHAEL S. ROLLINS
United States Attorney

Date: May 18, 2023 By: /s/ Raquelle L. Kaye
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CERTIFICATE OF SERVICE

I, Raquelle L. Kaye, hereby certify that on May 18, 2023 I electronically filed the foregoing document with the U.S. Bankruptcy Court for the District of Massachusetts by using the CM/ECF system. The foregoing document will be electronically sent to the parties who are currently on the list to receive e-mail notices in this case.

Date: May 18, 2023

/s/ Raquelle L. Kaye
RAQUELLE L. KAYE